

STATE OF WASHINGTON

FOURTH REPORT
OF
**Washington State Liquor Control
Board**



October 1, 1936
TO
September 30, 1937

OLYMPIA
STATE PRINTING PLANT
1936

**DEFENDANT'S
EXHIBIT**

CASE
NO. C04-0360P

EXHIBIT
NO. 420

TX420-001

LETTER OF TRANSMITTAL

February 1, 1938.

To His Excellency, Clarence D. Martin, Governor,
State of Washington, Olympia.

Sir: The Washington State Liquor Control Board submits herewith its report of operations for the period October 1, 1936, to September 30, 1937, as required by the Washington State Liquor Act.

Respectfully,

L. E. GREGORY, Chairman,
W. J. LINDBERG, Member,
HENRY GREGERSON, Member.

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WASHINGTON STATE LIQUOR CONTROL BOARD

Report of Operations

OCTOBER 1, 1936, TO SEPTEMBER 30, 1937

The Board submits herewith a report of its operations for the twelve months ended September 30, 1937, as required by section 72 of the Washington State Liquor Act. During the period covered by this report certain changes were made in the Act by the legislature, which are commented upon in the body of the report. Some of these changes were effective for part of the period under review, others did not become effective until October 1st and as a consequence it is impossible at this time to give a complete analysis of the effect of the new laws on the Board's operation. However, a year from this time when the next report is made covering the twelve months ending September 30, 1938, the Board will be in a position to give a far more comprehensive statement of its observations and conclusions as to progress.

Purpose of the Board

The primary purpose of the Washington State Liquor Act is to promote temperance and minimize the social evils connected with the liquor traffic. Illegal trade has been eliminated to the extent that today less than 1% of the liquor sold in this state is illicit. Improved regulations and increased supervision and enforcement have improved the operation of manufacturers, wholesalers and retailers. A system of state stores, agencies, and licensed operations has made liquor conveniently available to the people of the state. The Board has insisted that the provision of the law prohibiting sales to minors, intoxicated persons, and Indians who are wards of the government be observed.

Social Problems

The problems connected with the distribution and sale of liquor are rapidly being solved under the provisions of an act which has been demonstrated to be a notable piece of legislation. The Board has been deeply impressed with the manner in which the various provisions were drafted to meet the various difficulties that have arisen in controlling the liquor traffic. The faults of liquor distribution prior to prohibition such as the saloon and the "tied house" have been largely eliminated. The faults during prohibition such as bootlegging, lawlessness, racketeering and poison liquor have been greatly reduced. Today the liquor industry in this state affords its employees legal, honest, revenue-producing jobs, it affords its customers products of tested quality through retail outlets that must measure up to strict standards and it affords the state a large amount of revenue to reduce the general tax burden. However, the basic social problem of liquor is not the sale and distribution of liquor, it is the problem of controlling the consumption by the individual, when it reaches a point of being detrimental to the common good of society. That problem existed before prohibition, existed during prohibition and still exists.

There is need for closer control of drunkenness and drunken driving and there is need for more adequate, impartial, temperance education.

The Industry

Today it is estimated that there are 15,000 people employed in the various branches of the industry in the state. Over one third of the wine consumed in

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TX420-004

the state is produced locally from Washington products exclusively. A desirable tendency toward the lighter form of beverage in this state is indicated by the fact that Washington ranks fifth among the states in per capita consumption of wine and seventeenth in per capita consumption of hard liquor. Per capita beer consumption in this state is slightly greater than the national average and Washington producers export more beer from the state than is imported for sale in the state.

Revenues

Due partially to an increase in prices and due partially to the improvement in general conditions, the sales of the Board increased from \$12,750,635.82 for the twelve months ended September 30, 1936, to \$14,455,128.88 for the twelve months ended September 30, 1937. At the same time licensing and tax revenues (other than the 10% sales tax) amounted to \$1,641,974.58 for the year as compared with \$1,597,672.46 for the previous period. During the period under review the Board distributed \$4,600,000.00 in profits and in addition collected and turned in to the state general fund \$1,445,334.54 in sales taxes, bringing the total of all funds disbursed by the Board from its inception to September 30, 1937, to \$12,896,255.05.

Personnel

The Board again acknowledges the cooperation and loyalty of its employees. At the beginning of the period under review the Board had 378 regular employees, during the period 42 resigned and 68 were appointed making a total of 404 regular employees on September 30, 1937. In addition there were 127 agents employed by the Board at the beginning of the period, of these 14 resigned and 14 were appointed resulting in the same number at the end of the year. The relatively low turn-over of employees has been one of the factors resulting in the efficient and harmonious functioning of the Board's organization. Due to higher living costs and improved conditions existing in private enterprise and in harmony with the minimum wage law for state employees which was enacted by the legislature, a general increase in salaries of approximately 10% was put into effect June 1, 1937.

EFFECT OF LEGISLATIVE CHANGES

Sale of Draught Beer For Off-premise Consumption

The 1937 legislature made several changes affecting retail licensees. Provisions were made whereby holders of draught beer licenses for on-premise consumption could sell unpasteurized beer to purchasers for off-premise consumption, thus enabling such purchasers to consume the same in their homes. Prior to this change it was not possible for customers to have draught beer available except at duly licensed premises. This change made draught beer available for private functions without a special license where there was to be no sale, and permitted home consumption of draught beer, making it possible to confine the granting of special occasion licenses to societies or organizations desiring to sell the same. In the past, when draught beer was desired for private functions, it was necessary to secure a special occasion license even though there was no intention of selling the beer.

Increase in License Fees For Off-premise Consumption

The license fee for off-premise consumption of beer was raised from \$10.00 to \$25.00 and for wine, from \$10.00 to \$35.00 except in those cases where the

licensee was the holder of a draught beer license for on-premise consumption. It is somewhat early to determine the effect of this change. However, from the applications received to date, for the ensuing fiscal year, it appears that this will not materially affect the number of applications for such licenses.

Residence Requirements For Retail Licensees

Residence requirements for retail licensees were reduced from one year to one month. This has made it possible for the Board to license desirable new residents and avoided a hardship which existed under the prior provisions of the law.

Military Restriction Removed

The revision in the law removing the restriction as to the granting of any licenses within 300 feet of an armory or military reservation and within one mile of the American Lake National Guard Military Reservation permitted the Board to exercise discretion and apparently worked out to the satisfaction of all including the military authorities.

Transfer of Ownership

Provision was also made for the transfer of licenses for a nominal fee of \$10.00. Prior to this change it was necessary to cancel the old licenses and issue a new one each time a change in ownership occurred. This change entailed payment of large fees on the part of the licensee and had a tendency to lead to subterfuge. The establishment of a nominal fee has eliminated any tendency toward subterfuge and operation under the new provision appeared to be more satisfactory.

Entertainment and Dancing

The legislature further provided that retail licensees must have a permit or license from the local authorities before they are permitted to have dancing, music or entertainment other than radios or mechanical musical devices on their premises. This provision has been beneficial as it is impractical for the Board to make regulations on this matter applicable to the entire state, some localities desiring all these activities, while others desire only part or none whatsoever. Under this provision it is now possible for each locality to determine the activities they desire in their particular community. In those cities and counties wherein the authorities have conscientiously sought to control the problem in the best interests of the people of the locality the operation under this provision has been satisfactory and has served as an aid in these localities to better operations. However, in those localities where the authorities have taken no interest and have issued permits promiscuously there has of course been no improvement. Full control is made available to the people of every community under the provisions of this statute.

Agents Licensed

This provision in the law requiring that all agents for brewers or beer wholesalers contacting licensees of the Board shall be licensed at a nominal fee of \$2.00 per annum has given the Board more effective control. Sufficient opportunity has not been given the Board to judge completely the effect of this law. However, in several instances it has been the means of eliminating certain individuals from the industry who have demonstrated their unfitness.

Furthermore, it has given the agent a greater sense of responsibility. The brewer and beer wholesaler must necessarily assume full responsibility for the actions of its agents, but through the agents' license salesmen and particularly good-will representatives who may undertake violations on their own initiative are made directly responsible to the Board and more effective control of their actions is achieved.

Certificates of Approval and Beer Importer's Licenses

Certificates of approval and the beer importer's licenses recommended by the Board and adopted by the legislature were proposed for the sole purpose of securing control over the operation of outside breweries selling beer in the state of Washington, rendering them subject to the same control that was heretofore exercised over breweries licensed within the state. The fact that the fees adopted were at a nominal figure emphasizes the fact that neither revenue nor discrimination against outside beer were considerations. Because statutory provisions which have been adopted in other states were designed as discriminatory legislation, charges were made by outside breweries that the provisions adopted in this state were discriminatory with the result that misinformation and misunderstanding as to these provisions have developed.

The certificate of approval and importer's license merely requires a showing of the beer sales in the state of Washington and in the event irregularities are uncovered involving the sale of such beer the Board has a licensee within the state on whom it can place responsibility. Outside beer may still come into the state of Washington without the burden of tax or license fees in excess of that required for beer manufactured and sold within the state. Provisions such as these are essential in order to achieve necessary control over the sale of beer. An examination of the statutory change and its administration will convince anyone that there is no element of discrimination in the law and that its sole purpose is regulatory.

Sufficient opportunity has not been had to determine the full effect of these statutory changes but the Board has noted more active interest on the part of those engaged in the sale of beer manufactured outside of the state in complying with the law and regulations.

Domestic Wine Wholesalers

This section of the law providing for a license to domestic wine wholesalers to purchase domestic wine from domestic wineries and to sell the same to holders of wine retailers' licenses was recommended by the Board and adopted by the legislature to care for the distribution problem resulting from the growth of the domestic wine industry. The production of domestic wineries having increased tremendously, direct sales and distribution by the wineries to the retailer were not practical and this new licensed operation is consistent with the development of this industry. The Board's experience since the adoption of this new licensed operation has demonstrated its need. Operation under this license is proving satisfactory.

Club Licenses

The increase of the club license fee from \$100.00 to \$300.00 has not served to lessen applications for club licenses. The restriction of the Board's discretion in granting of club licenses in that the Board may no longer waive the provision of the law requiring existence for a period of three years or

one year continuous operation immediately preceding the application for a license has made it more difficult for a club to qualify for a license. Consistent with this statutory change the Board has become more strict in its requirements in granting applications for club licenses.

Possession With Intent To Sell

The possession of liquor by any person on premises exhibiting a Federal retail liquor dealer's tax stamp shall be *prima facie* evidence of the intent to sell liquor. This provision was recommended and adopted by the legislature at the suggestion of prosecuting attorneys of the state to make easier the apprehension and conviction of persons engaged in the illegal sale of liquor. Under this statute the purchase of liquor is not essential for arrest or conviction. It has proven effective in certain instances where confirmed and cunning liquor violators cannot be apprehended through actual purchase.

Liquor Importer's License

This license granting authority to import any liquor other than beer into the state, to store the same within the state, and to sell and export the same from the state was recommended and adopted by the legislature to cover a business operation which has developed since the passage of the Washington State Liquor Act and which was apparently not contemplated at the time the Act was passed. Individuals residing within the state have engaged in the sale of liquor to Alaska and to the states of the northwest adjoining Washington. In handling this business it has been necessary for them to bring liquor into the state and store it for sale outside the state. The licensing of this operation has permitted the further development of local business and has given the Board full knowledge and control over all transactions. Operations under this license have apparently been satisfactory.

Licensing Operations

RETAIL LICENSING

Number Issued

At the close of the fiscal year, September 30, 1937, retail licenses had been issued to 4,114 premises dispensing beer and/or wine for on-premise consumption as against 4,228 at the close of the 1936 fiscal year. This decrease indicates a continuation of the trend shown the preceding year when the reduction was 575. It is significant to note that this reduction has been brought about primarily by the elimination of licensees whose operations have not been entirely satisfactory. The nominal increase in establishments issued off-premise licenses from 1,505 at the close of the 1936 fiscal year, to 1,708 issued at the ending of the 1937 fiscal year, indicates the general trend on the part of the citizens of the state toward consumption in the home rather than in licensed public places. It is the Board's policy to further restrict the issuance of licenses for retail establishments not previously licensed and before such licenses are granted, a distinct and definite public need for the proposed establishment must be shown.

Zoning Restriction Ordinances

It appears to be generally agreed that there are now sufficient and in some instances an excessive number of licensed premises in the state dispensing beer and wine at retail. This condition has been recognized and brought to the attention of the local authorities with the result that numerous resolutions and ordinances have been passed, limiting the number of dispensers within the local units, and further restricting the districts in which such new licenses may be issued. Such restrictions are recognized by the Board and where these limitations are sufficient to enable the licensees to make a fair return on their investment, better operations are noted. In areas over-crowded with retail outlets, there is a tendency on the part of licensees to operate loosely because of the pressure of competition.

Cooperation of Local Authorities

The Board has enjoyed the cooperation of many local authorities throughout the state in handling licensing problems and has earnestly striven to promote this cooperation. Members and representatives of the Board have attended group meetings of local authorities for the purpose of frank discussion of the joint problems confronting the Board and the local officials.

Improvement Noted

Improvement has been shown in the operation of retail licensed premises during this past fiscal year. Such improvements may be attributed in part to a better understanding between licensees and the Board, to closer supervision and to the realization by licensees that the Board insists upon strict conformance with the rules and regulations. By reason of closer supervision due to increased efficiency and experience, the Board has been able to keep the licensees better informed as to its policies and as to the manner in which they must operate their premises if they wish to continue to receive license privileges.

It is incumbent upon the licensee to realize the responsibility assumed when entering upon the operation of a retail beer and wine establishment.

In some instances, it is well nigh impossible to operate a tavern without violations because of the particular circumstances surrounding the location or operation. In such cases, responsibility can be placed upon no one but the licensee and the establishment must be eliminated even though the individual licensee exercises the greatest precaution to comply with the law.

HEARINGS ON RETAIL LICENSEES

Number of Hearings Held

The chief examiner has held 633 hearings up to and including September 30, 1937. These hearings were held in 58 cities and towns, including every county in the state. The Board has continued its procedure of holding hearings to determine the eligibility of applicants for retail licenses, and also to determine the necessity of suspensions or cancellations of licenses, as outlined in its previous reports. During the fiscal year September 30, 1937, there were 231 hearings held. A brief summary of the results of these hearings follows:

Cancellations	37
Denials	17
Warnings	105
Suspensions and withholdings:	
60 days	1
30 days	8
28 days	1
20 days	4
15 days	18
10 days	13
7 days	1
5 days	21
Voluntary withdrawals, etc.....	5
Total.....	231

A more detailed record of the results of these hearings will be found in Section 3 of this report.

New Procedure Adopted by the Board

On June 1, 1937, the Board decided to change its policy with reference to the holding of hearings. Prior to that time a hearing was held only after several violations slips had accumulated, or if conditions on certain licensed premises had become so bad that it was apparent some action by the Board was needed by way of punishment or warning to certain licensees. Since that time hearings have been held on each violation slip with the result that hearings are held speedily and punishment is swift. At the same time the licensee is given full opportunity to explain his side of the case. This enables the chief examiner, in many instances, to assist the licensee in working out a solution of his various problems. This procedure also brings the Board in closer contact with the licensees, and with facts fresh in the minds of the licensee and the inspectors, it has been found much easier to work out a solution of the problems confronting the licensees with the result that the Board has improved the operations of licensees as well as eliminated undesirables.

The new procedure, of course, increased the number of hearings, and as a result there were 231 hearings held during the 1937 fiscal year. This was more than three times the number held in 1936, and almost twice as many as in 1935. In most cases the hearings are held before the chief examiner and the

testimony taken by a reporter. The licensee in each case is served with a notice to appear at the hearing.

No Denials or Cancellations Without Hearing

During the 1937 fiscal year the Board has neither cancelled nor denied any licenses without giving the licensee an opportunity to be heard, and this policy has worked out satisfactorily. The advice and suggestions of local officials have been carefully considered. In a few cases there has been some disagreement between local officials themselves as to the advisability of issuing a particular license, but in all cases these differences have been amicably adjusted at the hearings held by the Board.

BREWERS AND BEER WHOLESALERS

On September 30, 1937, licenses were held by 260 beer wholesalers and 16 brewers. From October 1, 1936, to September 30, 1937, inclusive, Washington brewers produced approximately 911,774 barrels of beer as compared with 849,000 barrels produced the preceding year. Of this year's production 560,270 barrels were sold in the state of Washington (plus 11,662 barrels sold by Washington bottlers, which figure represents about 70% out of state beer and 30% Washington beer). Approximately 102,126 barrels of out-of-state beer were sold in the state of Washington, making the total sales in the state for the fiscal year 674,000 barrels, as compared with 703,817 barrels the preceding year. Washington brewers sold 84% of the total state beer consumption in 1937 as compared with 82% of the total beer consumption in 1936. Exports of Washington produced beer amounted to 290,102 barrels, which represented approximately 32% of the total production.

Hearings on Brewers and Beer Wholesalers

The inspection unit of the brewers' and beer wholesalers' division, during the past fiscal year, has been successful in eliminating many of the minor difficulties arising in the operation of beer wholesalers. While some improvement in the general operation has been experienced, there is a continued indication that constant supervision is necessary over this field of activity.

Thirty-one hearings were held during the past fiscal year, most of which involved minor infractions. One wholesaler's license was cancelled, three were suspended, twenty wholesalers were ordered to discontinue servicing of certain retail accounts for periods varying from thirty to ninety days. Twenty-four retailers were affected by these orders. Two hearings were continued indefinitely pending good behavior, two warnings were issued, two hearings are still pending, and one case was dismissed. The majority of the violations uncovered during the past fiscal year have been those having to do with the cash regulations, it appearing that in many instances credit was extended for a short period of time, thus meriting some penalty but not absolute suspension of business.

The Board has continued with active investigation of reported irregularities existing between brewers and beer wholesalers on the one hand and retailers on the other. Such investigations are very difficult because of the efforts made on the part of those involved in concealing such activity. The granting of rebates in the sale of beer and the lending of financial assistance are considered most serious violations and the Board is fearful that many violations of this character still exist. More active investigation of reports of such violations is contemplated.

DOMESTIC WINERIES

On September 30, 1937, there were 40 licensed domestic wineries operating in the state of Washington, which represented a storage capacity of approximately 1,258,928 gallons, as compared with 28 licensed wineries during the preceding fiscal year, representing a storage capacity of approximately 600,000 gallons. During the period from October 1, 1936, to September 30, 1937, Washington domestic wineries produced 908,573 gallons of wine and sold 570,000 gallons, paying a tax thereon of \$57,000 as compared with 263,000 gallons sold during the preceding fiscal year upon which a tax of \$26,300 was paid. During the 1937 fiscal year export sales amounted to 51,211 gallons. The sales of domestic wines in the state of Washington represented 30% of the total wines sold in the state, whereas domestic wines represented only 16% of the total wines sold during the 1936 fiscal year.

Consumption of Local Fruits and Berries

With the advent of the manufacture of wines from local fruits and berries the price of loganberries has increased from \$40.00 a ton to \$200.00 a ton and grapes from \$10.00 a ton to \$40.00 a ton due to the demand for Washington fruits for wine making purposes, particularly loganberries. A corresponding increase in the price of all other fruits and berries indicates that the utilization of these agricultural products in the production of wine in the state of Washington has been quite a boon to this type of agriculture.

From October 1, 1936, to September 30, 1937, Washington vintners and fruit distillers produced wines and brandies from Washington fruits as follows:

Apples	16,603,028 lbs.
Grapes	1,968,389 lbs.
Loganberries	1,851,070 lbs.
Cherries	1,680,569 lbs.
Peaches	699,059 lbs.
Blackberries	688,900 lbs.
Prunes	264,435 lbs.
Apricots	44,041 lbs.
Strawberry	20,510 lbs.
Elderberry	5,136 lbs.
Huckleberry	5,016 lbs.
Pear	1,200 lbs.
Raspberry	1,080 lbs.
Total.....	23,832,433 lbs.

Supervision

New regulations were adopted by the Board which require all wineries to submit their labels for approval, together with copies of their formulas, and no label can be used on domestic wine until the label has been approved in writing by the Board or its representative. The Board also prescribed certain acid tolerances on wine in conformity with federal regulations and during the year in cooperation with the State Department of Agriculture had occasion to seize a few small lots of wine, which wines were released for distilling purposes only. Furthermore, during the year the Board had occasion to suspend the operations of two wineries due to unsanitary conditions which resulted in the production of substandard wines.

COMMERCIAL WINERIES, DISTILLERIES AND RECTIFIERS

On September 30, 1937, licenses were held by one commercial winery engaged in the manufacture of Saki, six fruit distillers and three rectifiers. The fruit distillers are manufacturing brandies and alcohol produced exclusively and entirely from Washington fruit products and used primarily in fortifying domestic wine, whereas, the commercial winery and rectifying plants are using out-of-state products to a great extent.

INSPECTION DEPARTMENT

Organization

On September 30, 1937, the inspection unit of the Board was organized as follows: 1 chief inspector, 6 senior inspectors and 28 field inspectors, making a total of 35 inspectors who handle retail licensees only under the direction of the Board. There were also 4 inspectors covering brewers and beer wholesalers under the brewers' and beer wholesalers' division, 1 winery inspector and 1 club inspector.

Activities

The retail inspection service operates as follows: The state is divided into 6 districts with a senior inspector in charge of each. The senior inspector is responsible for the personal conduct as well as the work of the inspectors assigned under him. The whole field force operates under the supervision of the chief inspector.

Inspectors make regular calls on licensed premises in their districts. Minor violations are handled through verbal warnings until such time as the inspector believes more severe action should be taken, at which time he serves a written violation slip. As stated elsewhere in this report hearings are held on every violation slip. In conducting its inspection service the Board has borne in mind the thought that the licensee is to a degree a partner with the state in carrying on the liquor traffic. It is sought to educate the licensee, if possible, before eliminating him. There has developed during the year a better understanding between licensees and the representatives of the Board. It is now understood by the vast majority of retailers that the Board is interested in assisting licensees in conducting their establishments in accordance with the law and rules and regulations, so there may be no cause for violations and the subsequent penalties that the Board would be required to impose.

Sanitation

The former policy of requiring standardization of sanitation equipment, especially the proper sterilization of glasses for the protection of the public, has been continued during the past year, and steady improvement of such equipment has been noted, to such an extent that it no longer presents a major problem.

INVESTIGATION DEPARTMENT**Organization**

During the past year the Board concluded that an inspector of licensed premises should not engage in law enforcement work. The attitude toward the licensee is essentially different from that maintained toward the bootlegger or person engaged in the illicit sale of liquor. Accordingly, the investigation and inspection departments were separated and each group now works directly under the supervision of the Board. The investigators carry on their work without calling upon the retail inspectors in the different districts for aid and the separation of these two functions has resulted in increased efficiency and better enforcement.

During the year the personnel of the investigation department was increased to include the chief investigator and 7 assistants. Undercover men were also occasionally employed to obtain evidence.

Activities

The board has found that it is necessary to carry on some enforcement work in fairness to the licensees who are operating within the law particularly in those localities where peace officers have ignored their responsibility of investigation and prosecution, as charged under section 70 of the Washington State Liquor Act. However, the situation has been improving and the Board has been fortunate in most communities in being able to interest local officials in their responsibility for carrying on enforcement work. In many places local officials have begun to actively enforce the law once the Board has taken the initiative. Every effort is being made to further the activity of these local officials and aid them in carrying on enforcement in their own district.

Most of the activities of the investigation department are centered in three major districts, namely: King county, Pierce county, and Spokane county. This condition arises naturally from the fact that in these three counties are the three largest cities of the state. Records show that practically all of the large speakeasies are closed and that liquor violations are being held to a minimum throughout the state, due largely to the activities of this department. Records show also that there is a substantial decrease in the number of cases involving illicit liquor, that is, moonshine and alcohol. Comparison of records for this year and last year, not only in the Board's own organization but also in the Federal Alcohol Tax Unit, discloses that this line of operation is rapidly becoming extinct. The margin of profit gained through the manufacture and sale of illicit liquor is usually too small to compensate for the large penalties assessed in these cases.

Confiscation of Property

It has been successfully demonstrated that one of the most effective ways to stop speakeasy operations is to remove the equipment in the place at the time of a raid. Of course, this applies only to those places which have equipment representing a considerable sum of money. The attitude of the courts throughout the state has been most favorable with regard to confiscation of such equipment, and consequently the loss of these articles by the defendants in cases is usually greater than the money paid out by them in fines. During the past year the sales of equipment seized in the speakeasies have amounted to \$4,446.85, which sum has been turned in to the Liquor Revolving Fund.

The following summary shows cases made and liquor seized during the period from October 1, 1936, to September 30, 1937, inclusive.

SUMMARY OF CASES MADE AND LIQUOR SEIZED

October 1, 1936, to September 30, 1937

Cases in which defendants were convicted.....	414
Cases dismissed on recommendation of prosecutors.....	22
Cases lost in court.....	5
	441
Cases pending trial.....	22
Total cases October 1, 1936, to September 30, 1937.....	463
Convictions	513
Defendants dismissed	103
Defendants acquitted	9
Defendants pending trial.....	30
Total arrests made.....	655
Total fines imposed.....	\$48,901.25
Average fine per case disposed of.....	\$110.91
Average fine per defendant convicted.....	\$95.32
Total jail day imposed.....	12,454
Average jail days per case disposed of.....	23
Average jail days per defendant convicted.....	24
Number of cases turned to Federal court.....	11
Cases in which stamped liquor was seized.....	316
Cases in which unstamped liquor was seized.....	53
Total cases in which liquor was seized.....	369
Gallons stamped distilled liquor seized.....	455
Gallons unstamped distilled liquor seized.....	104
Gallons stamped wine seized.....	110
Gallons unstamped wine seized.....	13
Gallons beer seized	513
Gallons unstamped alcohol seized.....	62
Still's seized	5

LEGAL DEPARTMENT

Litigation

The following is a summary of all litigation in which the Board has been involved, which litigation was handled by the Assistant Attorney General assigned to the Board.

William Steur v. Washington State Liquor Control Board, et al.

This is an action for damages brought against the Board and certain inspectors, and apparently the plaintiff does not desire to press this case. An appearance was made in the case, but the matter has not been pressed because it was apparently to the best interests of the Board and the various other defendants not to bring the matter on for trial unless the plaintiff so desired.

Lucy M. Sabourin v. Washington State Liquor Control Board, et al.

Action in superior court of Thurston county to compel issuance of licenses. Dismissed.

Sunset Mercantile Company v. Washington State Liquor Control Board.

Action to compel refund of license fee, in the superior court of Thurston county. Dismissed.

State ex rel. Thornbury v. Washington State Liquor Control Board.

Injunction proceeding instituted in the superior court of Thurston county and appealed to the supreme court to restrain enforcement of a regulation prohibiting the sale of beer or wine on Sunday. Injunction denied and regulatory powers of Board upheld.

State ex rel. Harry H. Johnston v. Washington State Liquor Control Board.

Injunction proceeding in superior court of Thurston county to restrain the Board from selling whiskey which had not been aged for four years. Dismissed. Upon appeal to the supreme court, the judgment of the lower court was sustained.

Etta Kehoe v. Washington State Liquor Control Board.

Action to review cancellation of licenses, brought in the superior court of Thurston county. Dismissed.

Other Activities

During the year nine written opinions were issued by the Attorney General's office either to the Board or to some other proper authority relating to the interpretation or operation of the Washington State Liquor Act. In addition to formal opinions, considerable correspondence involving similar matters but which could not be dignified as an opinion of the Attorney General's office was carried on with various parties. Almost daily consultations were carried on with the Board or the heads of departments regarding legal questions involving the detail of the Board's operations. When required from time to time leases and contracts were prepared and approved, and such garnishments as were served upon the Board were handled by the legal department.

The 1937 legislature made numerous changes in the licensing provisions of the Washington State Liquor Act; this required the preparation of many forms, rules and regulations. In accordance with its usual policy the Board issued a new pamphlet containing the Washington State Liquor Act together with 1937 amendments and with revised rules and regulations. The Attorney General's office participated in the preparation of this pamphlet which was published as of October 1, 1937.

REPORT OF PROSECUTIONS

In addition to the administrative features of the Washington State Liquor Act, there are at present sufficient criminal provisions to give local authorities adequate means of enforcement. The report of prosecutions received from the prosecuting attorneys indicate that, on the whole, there is a serious effort by prosecuting attorneys to effectively enforce the Washington State Liquor Act.

Section 81 of the Act requires that the prosecuting attorneys report all prosecutions had under the Act. To the date of this report, all prosecuting attorneys, except three, had furnished the information required. Different methods of reporting are used by the various prosecuting attorneys. There are also many cases which might properly be prosecuted under the Act which are filed in city courts under local city ordinances or referred to the Federal courts. In view of these facts, any attempt to segregate this information,

either by county or by criminal violation, would be meaningless and tend to confuse rather than to clarify. All cases, as reported, are included in the summary given below, except those cases which were obviously not violations of the Washington State Liquor Act.

Total prosecutions	1,384
Total convictions	1,285
Pending	84
Dismissals	15